

MENDOCINO COUNTY ECONOMIC FORECAST

Mendocino County is located on the coast of Northern California. The county shares a southern border with Sonoma County, and an eastern border with Lake County. Trinity and Humboldt Counties are immediately to the north. Mendocino County has a population of 90,490 people and 32,490 wage and salary jobs. The per capita income in Mendocino County is \$27,577, and the average salary per worker is \$33,558. The median family income in Mendocino County was \$51,100 in 2006.

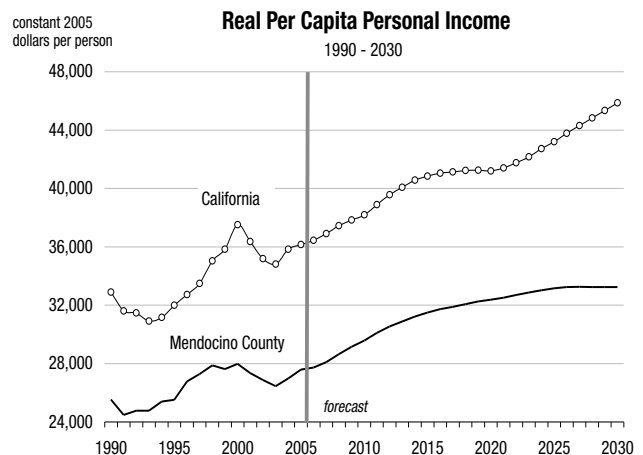
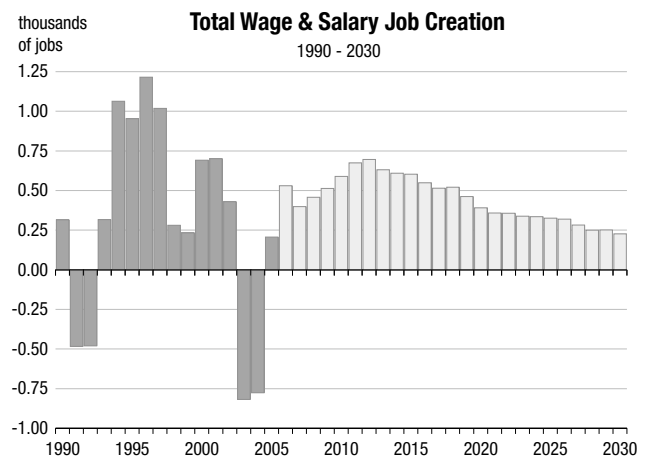
In 2005, total wage and salary jobs increased by 210 workers, an increase of 0.6 percent. Non-farm employment gained 510 jobs. This represents an increase of 1.7 percent. Farm employment, on the other hand, lost 300 jobs last year to fall below 2,000 jobs for the first time since 1993. The unemployment rate declined to 5.7 percent in 2005.

The education and healthcare sector was responsible for most of the non-farm job growth, adding over 320 jobs in 2005, a growth rate of 9.3 percent. Three other sectors each added between 50 and 100 jobs, leisure services, wholesale trade and financial activities. Other than the farm sector, the most significant job losses were in the professional services sector, which shed 28 jobs. The largest employment sectors in the county are government, retail trade, leisure services, education and healthcare services, and manufacturing.

The population in Mendocino County rose just 0.2 percent in 2005. The largest city in the county is Ukiah, with 15,955 residents, which declined by 0.3 percent from January 2005 to January 2006. Net migration was essential zero last year, with an estimated total of 8 migrants leaving the county.

FORECAST HIGHLIGHTS

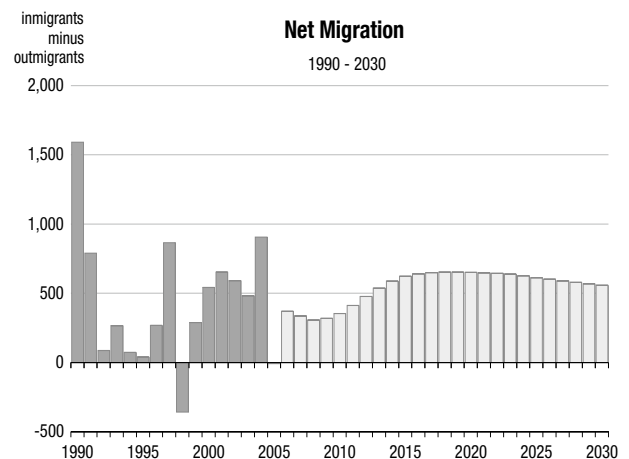
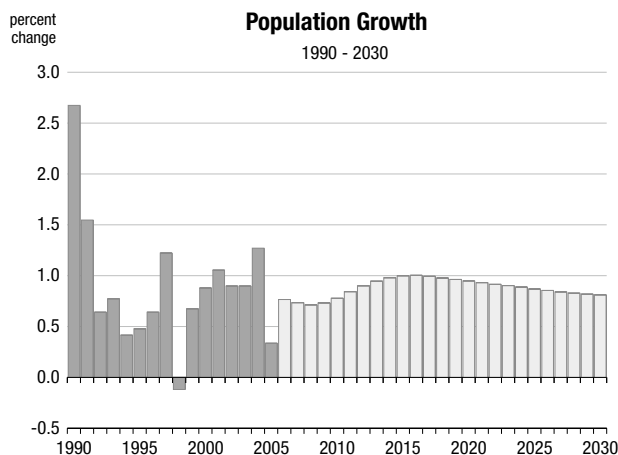
- Total wage and salary job growth is forecast to increase to 1.6 percent in 2006. From 2006 to 2010, total employment growth averages 1.5 percent per year. Over that same period, non-farm growth also averages 1.5 percent.
- Average salaries adjusted for inflation are currently below the California state average, and will remain so over the forecast period. Inflation adjusted salaries are expected to rise an average of 0.7 percent per year over the next 5 years.
- Between 2006 and 2010, the momentum for employment growth is in government and leisure services. These two sectors will account for 69 percent of total job creation in the county over the next five years.
- The population in the county will continue to grow, but at a slower rate than the state average. Annual growth in the 2006 to 2010 period averages 0.8 percent per year.
- Net migration will increase to an estimated 370 people in 2006. Over the next five years net migration is expected to average 340 net migrants per year.
- Real per capita income is forecast to increase 0.5 percent in 2006. Over the next five years real per capita incomes are expected to increase an average of 1.4 percent per year.
- Total taxable sales, adjusted for inflation, are forecast to rise at a rate of 9.4 percent in 2006. Over the next five years real taxable sales are forecast to increase 5.3 percent per year.
- Industrial production is forecast to increase 2.9 percent in 2006. Over the next five years the growth rate of industrial production averages 1.7 percent. Total crop production, adjusted for inflation, is expected to increase an average of 1.0 percent per year between 2006 and 2010.



Mendocino County Economic Forecast

1997-2005 History, 2006-2030 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
1997	85,322	866	87.2	33.1	259	\$0.79	\$1.84	\$27,281	3.4	182.7	0.69	8.1
1998	85,223	-358	91.2	33.3	266	\$0.82	\$1.94	\$27,871	3.2	156.5	0.64	7.9
1999	85,800	290	93.9	33.5	270	\$0.90	\$2.01	\$27,619	4.2	150.2	0.75	6.9
2000	86,555	542	97.1	33.3	275	\$0.98	\$2.15	\$27,980	4.5	144.7	0.87	5.5
2001	87,469	653	101.0	33.5	353	\$1.01	\$2.24	\$27,350	5.4	140.0	0.64	6.0
2002	88,256	591	104.4	33.7	458	\$1.03	\$2.26	\$26,863	1.6	133.4	0.60	6.7
2003	89,050	482	104.2	34.1	382	\$1.06	\$2.28	\$26,454	1.8	123.0	0.63	6.9
2004	90,182	906	110.9	34.5	350	\$1.13	\$2.38	\$26,966	1.2	109.6	0.66	6.5
2005	90,487	-8	109.9	34.8	300	\$1.16	\$2.50	\$27,577	2.0	106.3	0.67	5.7
2006	91,181	370	112.9	35.2	262	\$1.27	\$2.63	\$27,716	3.9	108.8	0.69	5.1
2007	91,851	337	115.5	35.5	259	\$1.33	\$2.75	\$28,097	2.4	110.1	0.70	5.0
2008	92,507	307	117.9	35.8	293	\$1.38	\$2.88	\$28,629	2.0	109.4	0.70	5.2
2009	93,186	319	120.3	36.1	307	\$1.44	\$3.01	\$29,155	2.0	111.0	0.72	5.5
2010	93,912	354	122.8	36.4	306	\$1.51	\$3.15	\$29,565	2.5	112.0	0.73	5.4
2011	94,706	413	125.3	36.7	312	\$1.58	\$3.31	\$30,093	2.4	111.7	0.76	5.3
2012	95,561	477	128.1	37.0	321	\$1.65	\$3.47	\$30,535	2.2	112.3	0.79	5.3
2013	96,467	538	130.8	37.3	331	\$1.72	\$3.62	\$30,882	2.3	113.2	0.83	5.3
2014	97,413	588	133.7	37.6	340	\$1.80	\$3.79	\$31,219	2.3	113.5	0.87	5.3
2015	98,386	623	136.6	37.9	346	\$1.89	\$3.95	\$31,489	2.5	114.1	0.90	5.3
2016	99,374	642	139.4	38.2	351	\$1.98	\$4.13	\$31,721	2.7	114.7	0.94	5.4
2017	100,363	650	142.2	38.6	355	\$2.07	\$4.30	\$31,874	2.7	114.1	0.97	5.4
2018	101,345	654	144.9	38.9	358	\$2.17	\$4.48	\$32,072	2.5	114.8	1.01	5.4
2019	102,324	654	147.5	39.2	362	\$2.27	\$4.67	\$32,253	2.5	115.3	1.04	5.5
2020	103,295	652	150.0	39.6	365	\$2.37	\$4.85	\$32,367	2.5	115.6	1.07	5.4
2021	104,258	649	152.2	39.9	369	\$2.47	\$5.03	\$32,514	2.4	115.0	1.09	5.4
2022	105,212	644	154.3	40.3	371	\$2.58	\$5.24	\$32,694	2.5	115.8	1.08	5.4
2023	106,164	640	156.2	40.7	374	\$2.69	\$5.44	\$32,860	2.5	115.3	1.07	5.4
2024	107,109	627	158.1	41.0	377	\$2.80	\$5.65	\$33,027	2.3	116.4	1.06	5.4
2025	108,042	613	159.7	41.4	380	\$2.92	\$5.85	\$33,156	2.4	116.7	1.02	5.3
2026	108,968	602	161.1	41.7	382	\$3.05	\$6.06	\$33,240	2.4	117.0	1.00	5.3
2027	109,886	590	162.4	42.1	385	\$3.18	\$6.27	\$33,262	2.5	117.2	0.99	5.3
2028	110,799	579	163.4	42.5	387	\$3.32	\$6.48	\$33,248	2.7	116.9	0.99	5.3
2029	111,707	568	164.2	42.9	388	\$3.46	\$6.71	\$33,236	2.7	117.8	0.99	5.2
2030	112,616	559	165.0	43.2	390	\$3.61	\$6.94	\$33,232	2.6	118.1	1.00	5.2



Mendocino County Employment Forecast

1997-2005 History, 2006-2030 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
-----employment (thousands of jobs)-----												
1997	31.5	2.41	1.4	4.9	0.6	5.1	1.0	1.6	0.5	3.5	3.7	5.3
1998	31.8	2.47	1.4	4.8	0.7	5.1	1.0	1.8	0.5	3.5	3.6	5.4
1999	32.1	2.41	1.4	5.0	0.7	5.3	1.1	1.6	0.5	3.5	3.7	5.6
2000	32.7	2.49	1.5	4.8	0.7	5.2	1.0	1.7	0.5	3.5	3.7	6.4
2001	33.4	2.47	1.6	4.1	0.7	5.4	1.2	1.8	0.5	3.5	4.2	6.7
2002	33.9	2.34	1.7	3.7	0.7	5.3	1.2	1.8	0.5	3.6	4.1	7.7
2003	33.1	2.17	1.6	3.4	0.7	5.2	1.2	1.8	0.5	3.4	4.1	7.8
2004	32.3	2.24	1.5	3.1	0.7	5.3	1.2	1.8	0.5	3.5	4.1	7.4
2005	32.5	1.94	1.5	3.1	0.7	5.4	1.3	1.7	0.4	3.8	4.2	7.4
2006	33.0	1.97	1.6	3.0	0.7	5.3	1.3	1.8	0.4	3.9	4.3	7.6
2007	33.4	1.99	1.7	3.0	0.7	5.3	1.3	1.8	0.4	3.9	4.4	7.8
2008	33.9	1.98	1.6	3.0	0.7	5.4	1.3	1.9	0.5	3.9	4.5	8.1
2009	34.4	2.00	1.6	3.0	0.7	5.4	1.3	1.9	0.5	4.0	4.5	8.4
2010	35.0	2.01	1.6	3.0	0.7	5.5	1.3	2.0	0.5	4.0	4.6	8.7
2011	35.7	2.00	1.6	3.1	0.7	5.5	1.3	2.0	0.5	4.1	4.7	9.1
2012	36.4	2.01	1.6	3.1	0.8	5.6	1.3	2.1	0.5	4.2	4.7	9.4
2013	37.0	2.02	1.6	3.1	0.8	5.6	1.3	2.2	0.5	4.2	4.8	9.7
2014	37.6	2.03	1.6	3.1	0.8	5.7	1.3	2.2	0.5	4.3	4.9	10.0
2015	38.2	2.03	1.6	3.1	0.8	5.7	1.4	2.3	0.5	4.5	5.0	10.2
2016	38.7	2.04	1.6	3.1	0.9	5.8	1.4	2.3	0.5	4.6	5.0	10.5
2017	39.3	2.03	1.6	3.1	0.9	5.9	1.4	2.3	0.5	4.6	5.1	10.7
2018	39.8	2.04	1.7	3.1	0.9	5.9	1.4	2.3	0.5	4.7	5.2	10.8
2019	40.3	2.05	1.7	3.1	0.9	6.0	1.4	2.4	0.5	4.8	5.3	11.0
2020	40.6	2.05	1.7	3.1	1.0	6.1	1.4	2.4	0.5	4.9	5.3	11.1
2021	41.0	2.04	1.7	3.1	1.0	6.1	1.4	2.4	0.5	5.0	5.3	11.3
2022	41.4	2.05	1.7	3.1	1.0	6.2	1.4	2.4	0.5	5.0	5.4	11.4
2023	41.7	2.05	1.7	3.1	1.1	6.3	1.5	2.4	0.5	5.1	5.4	11.5
2024	42.0	2.06	1.7	3.1	1.1	6.3	1.5	2.5	0.5	5.1	5.4	11.6
2025	42.4	2.06	1.7	3.0	1.1	6.4	1.5	2.5	0.5	5.2	5.4	11.7
2026	42.7	2.07	1.7	3.0	1.2	6.5	1.5	2.5	0.5	5.2	5.5	11.8
2027	43.0	2.07	1.7	3.0	1.2	6.5	1.5	2.5	0.5	5.2	5.5	11.9
2028	43.2	2.07	1.7	3.0	1.2	6.6	1.5	2.6	0.5	5.2	5.5	12.0
2029	43.5	2.08	1.7	3.0	1.2	6.6	1.5	2.6	0.5	5.3	5.6	12.1
2030	43.7	2.08	1.7	3.0	1.2	6.7	1.5	2.6	0.5	5.2	5.6	12.2

